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FISCAL IMPACT STATEMENT

LS 6374

BILL NUMBER: SB 110

NOTE PREPARED: Jan 31, 2012

BILL AMENDED: Jan 31, 2012

SUBJECT: Local Government Issues.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill has the following provisions:

It provides that in counties other than Marion County, the county executive may adopt an ordinance to change the executive and legislative structure of county government.

It specifies that if such an ordinance is adopted by the county executive, a public question shall be held in the county on whether the executive and legislative structure of county government should be changed.

The bill provides that if the public question is approved, the voters of the county shall not elect a board of county commissioners, but shall instead elect a single county commissioner to serve as the county executive and shall elect a county council that has the legislative and fiscal powers and duties of the county.

It provides that in a county with a single county commissioner:

- (1) the initial single county commissioner is elected in the second general election after the public question to change the structure of county government is approved;
- (2) the board of county commissioners is abolished when the first single county commissioner takes office; and
- (3) the county council shall (except in Lake County or St. Joseph County) be elected from seven single-member districts.

The bill provides that a person is not eligible to serve as the single county commissioner more than 8 years in any 12-year period. The bill also provides that if the office of single county commissioner becomes vacant, the

county council shall appoint an individual to serve as interim single county commissioner until the office is filled.

It provides that in a county that has abolished the board of county commissioners and has elected a single county commissioner, the county council may adopt an ordinance changing the county government structure back to a structure that includes the election of a board of county commissioners (instead of a single county commissioner).

It provides that if such an ordinance is adopted, a public question shall be held to determine whether the county government structure shall be changed back to a structure that includes the election of a board of county commissioners.

The bill provides that in a county that has a single county commissioner, the drainage board consists of: (1) the single county commissioner; and (2) two or four persons (as determined by the county council) who are appointed by the county council. It also specifies the appointments to and the membership of a governing board of a county hospital in a county that has a single county commissioner.

The bill changes population parameters to reflect the population count determined under the 2010 decennial census.

Effective Date: Upon passage; July 1, 2012.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Reorganization of County Executive and Legislative Structure:* The fiscal impact of the bill will depend on decisions of the county council in setting executive compensation. No current county executive or legislative responsibility is reduced or eliminated by the bill. Once a county's executive structure is changed, the bill also allows for the structure to be changed back to the current configuration. The fiscal impact of any change will depend on the compensation set for the county executive function.

In almost all Indiana counties, a three-member board of county commissioners carries out the county's executive duties, and a change to a single county commissioner could potentially change the compensation costs for the executive. Executive compensation is determined by the county fiscal body, and any cost savings will result from the decisions of the fiscal body. Officers are compensated from the county general fund. The average salary for county commissioners in 2010 (for 78 counties reporting) was \$23,445, with a salary range between \$6,775 and \$65,300.

A position similar to the single elected county commissioner may be a city mayor, and similar compensation may be earned by a single county commissioner, depending on the decisions of the county fiscal body. For the 76 second- and third-class cities reporting, there is a correlation between mayor salary and population size when certain outliers are removed from the sample. The following table shows the city population range, the average mayor compensation and compensation range, and the correlation coefficient of city population to mayor salary.

City Population Range	Average Mayor Salary	Mayor Salary Range	Correlation Coefficient
<10,000*	\$42,655	\$8,840 - \$59,618	0.641
11,000 - 69,291	\$69,825	\$49,232 - \$112,762	0.795
107,789 - 251,247	\$104,323	\$94,633 - \$123,600	0.997
*Four outlier cities were excluded from the <10,000 city population range resulting in higher correlation between city population and mayor salary. The cities excluded were Bicknell, Elwood, Rising Sun, and Whiting.			
Source: 2010 IACT Salary, Wage and Fringe Benefits Survey.			

Reorganization of Legislative Duties: In a county where executive and legislative structure is changed, the reassignment of legislative duties from the county commissioners to the county council should have no fiscal impact. [The county council is the seven-member fiscal body of the county. Under the bill, the county council would assume the legislative duties of the board of county commissioners. In 2009, the average salary for a county council member was \$7,034, and ranged between \$2,946 and \$43,711.]

Background and Additional Details - Outside of Marion County, the board of county commissioners is the executive body of the county. All executive and administrative powers or duties of the county, except those expressly assigned by law to other elected or appointed officials, are assigned to the board of county commissioners. Also, the board of county commissioners has many assigned and authorized responsibilities. Examples include:

- (1) Establishing procedures for all county departments, offices, and agencies under its jurisdiction.
- (2) Administering all statutes applicable to the county and its ordinances and regulations.
- (3) Supervising the care and custody of all county property, the collection of revenues, and the control of disbursements and expenditures, and reporting on the same.
- (4) Determining the nature and extent of all county improvements.
- (5) Negotiating contracts for the county.

Under the bill, the single county commissioner would assume all the responsibilities of the board of county commissioners. The county executive also would have specific reporting duties to both the residents of the county and the legislative body, would make recommendations concerning county improvements and actions, and would have approval and veto powers on ordinances passed by the county legislative body.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Counties.

Information Sources: <http://www.indianacounties.org/>; IACT Salary, Wage and Fringe Benefits Survey, 1st & 2nd Class Cities; IACT Salary, Wage and Fringe Benefits Survey, 3rd Class Cities; IAC 2011 FactBook; Consolidated City of Indianapolis, Marion County 2012 Introduced Budget.

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